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ROMNEY ENCOURAGES CITIES AND TOWNS TO BUILD MORE HOUSING

Proposes \$50 million in local aid incentives in FY 2005 to spur housing creation

Taking steps to boost the supply of housing in the Commonwealth, Governor Mitt Romney today said he will give additional local aid to cities and towns that create new housing. Romney said he will dedicate \$50 million of next year's local aid payments to rewarding communities that issue occupancy permits.

"If Massachusetts is to remain economically strong and competitive, it must have more housing that is affordable to those across a broad range of incomes," said Romney. "This local aid incentive will provide communities with additional funds to offset infrastructure and education expenses associated with a growing population."

Under Romney's proposal, local aid bonuses will be awarded to communities in Fiscal Year 2005 based on the number of occupancy certificates issued during Fiscal Year 2004. It is estimated that communities could receive up to \$3,000 for each new and rehabilitated home.

The \$50 million in Fiscal Year 2005 will come from the eventual phase out of the Transitional Mitigation fund provided temporarily in Romney's Fiscal Year 2004 budget.

Romney made the announcement in Burlington, where a 250-unit mixed-income rental development will be built.

The new development will boost Burlington's percentage on the state's subsidized housing inventory to 10 percent, bringing the community into compliance with Chapter 40B, the state's 33 year-old affordable housing law.

"This 'Friendly 40B' project is a good example of how developers and communities can work together to create new housing. Kimball Woods showed that Chapter 40B, when used responsibly, can produce badly needed affordable housing while preserving the character of a town. The key is to have the right development in the right location," said Joseph Mullins, Founder and President of the Mullins Company, the builder on the Burlington project.

Under the law, if a community has less than 10 percent of its permanent housing stock affordable to low and moderate-income families, certain local zoning regulations can be overridden if 25 percent of a proposed development includes affordable units. Burlington will be the 32nd of the Commonwealth's 351 communities to meet the law's requirements.

A recently convened task force is currently examining the 40B law with a view toward making improvements that remove the onerous aspects of the law while increasing progress in the affordable housing area.

“We need more affordable housing in Massachusetts to attract new businesses and retain talented people to live and work here,” Romney added. “To do that, we must not only work harder, but we need to work smarter, and this plan will reward communities which increase their housing supply.”